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but without thrift we will fail. I am sure you are doing your part and I feel sure of victory—a victory of arms and a victory of thrift—and when that victory comes there may be erected a simple monument commemorating this greatest event in modern history, and I hope there will be inscribed on it these words: *For Democracy and Civilization—A War Won by Free Men and Free Women for Humanity.*

## THE POINT OF ORIGIN PLAN FOR MARKETING

By A. B. Ross,

Executive Secretary, Department of Food Supply, Committee of Public Safety of Pennsylvania.

The object of this plan is the feeding of each community, as far as possible, with food from within its own natural trading area, and the laying by of dried, canned and stored reserves of food from local sources; the keeping of community money within the community area, and using it for community development; the making of each community a self-contained, self-sustaining, compact trading unit; the development of the smaller community centers into exporters of food to the larger cities, reversing the present system whereby natural food-producing areas are importing food.

The plan is not arbitrary; it has been built up in ten years of patient study, labor and experimental marketing carried on jointly by farmers and myself. It is readily within the comprehension of the farmer, and, in its present form, has met with the instant, unqualified and enthusiastic endorsement of the great mass of farmers to whom it has been submitted, and who joined the ranks of non-producers of city food because they could not make production profitable. It requires no new business machinery.

It incorporates three fundamentals of economic distribution:

- a. Reduces transportation to a minimum.
- b. Organizes and standardizes food instead of seeking to organize and standardize farmers.
- c. Places responsibility exactly where it belongs.

*The Transportation Situation.* Altoona, Pa., furnishes a typical illustration of the system of food supply ruling interior cities and

towns. A food survey in 1915 showed that of a total annual food bill of \$4,200,000, not less than \$1,680,000 is spent for a riot of transportation and retransportation, handling and rehandling, commissioning, jobbing and the allowance for waste which the retailer must make knowing the condition of the produce when it reaches him.

*Organizing the Farmer.* The United States Census figures for 1910 show that about 20 per cent of our perishable food is the product of truck farms, fruit farms and other intensive operations. Eighty per cent of our perishables come from the garden, orchard, flocks and herds of the *ordinary* farm. The weekly sales of fruit, vegetables, poultry, eggs and all dairy products from these ordinary farms—of which there are over 200,000 in Pennsylvania alone—average only a little over \$6. These farmers are engaged in the production of staples as their serious business; the production of perishables is a minor operation. And it is sheer folly to talk of organizing farmers for a \$6 a week business, no matter how much we, at the other end of the line, figure such organization would help to solve *our* problems.

*Identifying the Problem.* The comfortable assumption of the city man is that it is the duty of the farmer to increase production so that food costs may be lowered, but it is his duty to charge a profit on the shoes and the clothes and the hardware which he sells to the farmer. Talk to the city man about selling his merchandise to the farmer at a loss because the farmer needs it, and something will happen.

Producing and marketing food is a business and not a fad. Outlets to be of value must be adequate, available at all times and must offer a fair chance of profit. What the food business needs is not faddism, grafting organizations, which have a purely selfish or an ulterior purpose, nor sentimental propaganda, but stabilizing, being put on a basis of bargain and sale, supply and demand, production and distribution which will prevent gluts and waste and insure to the farmer a steady margin of profit without which no business can hope to survive.

The very character of the problem, the requirement of organization, capital, brains, executive force, ability, fairness and a willingness to serve in a quasi-public undertaking, takes it away from the individual producers and the helpless consumers and puts it squarely up to the best business brains of each community.

There is no economic pressure on the farmer to produce food at a loss. He has his three meals a day whether we of the city eat or starve. He is just as much interested in the cost of our food as we are in what he pays for farm implements, fertilizer and seed, and not a bit more. The real economic pressure of the food problem is exerted directly upon every kind of employed labor and indirectly upon every employer of labor to whom the bill for the food is ultimately handed either in the form of higher wages or lowered production due to lowered living standards. Clearly the problem for the city and town is one for its business men whose dollar's worth of labor yields its greatest profit when that same dollar buys the largest quantity of wholesome food.

*The Standardizing Plant.* The first necessity is a fully equipped standardizing plant in charge of a competent manager, the plant to be at a place convenient for receiving, shipping and distributing the products of the farm, orchard and dairy. This plant must be the link which unites the farming sections of the community with the city section, and its location must be determined with a view to the interests of each.

*The Purpose of the Plant.* The purpose of this plant is not to standardize or organize farmers; it is to organize and standardize the food supply of an entire community. The latter purpose is possible of accomplishment, the former is not.

The plant is emphatically a manufacturing one, to which the producer delivers raw food materials to be turned into finished products by grading, packing, labeling and preparing for display and sale in the retail markets. No amount of organization of farmers and appointment of committees can take the place of the painstaking work which lies back of the title "expert"; and the preparation of food for market is expert work of a very high grade. The coöperation of inexperienced individuals will not create experience of the necessary kind.

All the American farmer needs to know is that his rough products will, in his home town, go through a course of grading and preparation which will assure them first choice in home and nearby markets, that the outlet is sure and will be profitable, and he will produce to the point of choking the outlet. It is the lack of an *adequate market at a reasonable profit* which is today strangling the greatest source of our food supply.

*Equipment of the Standardizing Plant.* Following is a list of the equipment needed in a standardizing plant: full equipment for the grading, wrapping, packing, handling and shipping of the various food products; special containers for local use with food furnished the home town; canning and evaporating units for handling the surplus fruit and vegetables each day to prevent waste, and for handling all fruit and vegetables during times when market depression makes canning more profitable than shipping; storage room for containers for fresh and canned products; modified cold storage for use during the hot weather; local ware or display room for sales to retailers and, if desired, to associations of consumers; and *ultimately*, a fully equipped cold storage for holding all surplus butter, eggs, fruits, vegetables, meats, etc.

*A Suggestion for Location.* If at all possible the plant should be located next to the ice or electric light plant. Waste steam and electric power furnished on meter charge, will greatly reduce the original investment and the unit cost of many operations.

My experience with farmers has developed beyond a peradventure two important facts:

1. They will not risk cash in financing the operation; and
2. They will cheerfully turn over a part of their fruit and produce in exchange for non-assessable stock in the corporation.

The farmer is willing to give his long-time note to pay for his stock, provided he is protected by a clear contract permitting him, at his option, to pay the note either in cash or an equivalent amount of fruit or produce.

*Opportunity for Boys and Girls.* In many cases arrangements can be made, on terms satisfactory to parents and children, whereby the latter can be interested in producing for the corporation as their opportunity to earn and save money for some cherished purpose. There is no need to theorize on this subject. The success of the boys' and girls' club work under less attractive conditions has been considerable. It will be greater where the opportunity is broader, made certain and protected, as it can be, against unfair parental interference. Money earned by the children can go through the regular juvenile savings fund channels. The city will get more food, educate more farmers and form character in more of her future citizens.

But before the standardizing plant with its desirable operations

can be established in community favor, the city man must learn that furnishing a steady, reliable and cheap supply of wholesome, palatable food for his operatives is not a problem to be left to the nearby farmer or the operative, but one for the manufacturer himself, since his production costs are immediately affected.

The banker must learn that constructive banking requires that a part of the community capital be devoted to the development of agriculture, to the end that no part of the community may fail in its normal growth, and that the interdependence of all parts may be preserved.

The farmer must learn that his connection with his product must end with its delivery at the plant; that the much dreamed of coöperation has its line fences; and that efficiency and profit are inseparable in his work.

And the manufacturer, the banker, the tradesman and the farmer must learn that in the coördination of their departments lies the restoration of that lost equilibrium between town and country which must be restored to prevent national disaster.

## LESSONS IN SOLVING LABOR, CREDIT AND OTHER PRODUCTION PROBLEMS

BY A. E. GRANTHAM,

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In the past few years considerable attention has been paid to some of the economic factors that influence food production, but it was not until 1917 that these conditions became a matter of grave concern. Our country awoke to the fact that there was a decided shortage of foodstuffs and that our participation in the war had greatly increased the demand for these products. Not only was it necessary to supply our own needs but those of our allies as well. This threw the burden of increased food production upon the United States in a way it had never before experienced. Labor was scarce; men were sought for military service, for factories, for transportation and for the farm. For nearly three years there had been a gradual flow of labor from the farm to the manufacturing plants of war munitions. The spring of 1917 brought the country